

# Instructions for Form 100X

## Amended Corporation Franchise or Income Tax Return

### What's New

**Business Tax Credit Limitation** – For taxable years beginning on or after January 1, 2008, and before January 1, 2010, business tax credits can only offset 50% of the net tax, if the corporation's taxable income is \$500,000 or more. Corporations with taxable income less than \$500,000 are not subject to the credit limitation. For the purpose of this limitation, taxable income means net income for state purposes, line 6 of Form 100X, Amended Corporation Franchise or Income Tax Return.

Business tax credits disallowed due to the 50% limitation may be carried over. The carryover period for disallowed credits are extended by the number of taxable years the credits were not allowed.

**Net Operating Loss** – For taxable years beginning in 2008 and 2009, California has suspended the net operating loss (NOL) carryover deduction, with exceptions.

Also, NOL carrybacks, NOL carryovers, and the number of taxable years to which the loss may be carried, are modified. For more information, get form FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations -Corporations.

**Large Corporate Penalty for Understatement of Tax** – Corporations with an understatement of tax liabilities in excess of one million dollars (\$1,000,000) are subject to a penalty in an amount equal to 20% of the understatement of tax. This penalty applies to any taxable year beginning on or after January 1, 2003, for which the statute of limitations on assessment has not expired. **Exception:** For taxable years beginning before January 1, 2008, the amount of tax shown on an amended return and paid on or before May 31, 2009, will be treated as the amount of tax shown on an original return for purposes of this penalty.

### General Information

California Revenue and Taxation Code (R&TC) Section 24410 was repealed and re-enacted to allow a "Dividends Received Deduction" of qualified dividends received from an insurer subsidiary. For more information, get Schedule H (100), Schedule H (100W), or Schedule BCDH (100S) instructions.

### A Purpose

Use Form 100X to amend a previously filed Form 100, California Corporation Franchise or Income Tax Return; Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers; or Form 100S, California S Corporation Franchise or Income Tax Return.

A claim for refund of an overpayment of tax should be made by filing a Form 100X.

If the corporation is filing an amended tax return in response to a billing notice the corporation received, the corporation will continue to receive billing notices until the amended tax return is accepted. In addition, the corporation must pay the assessed tax before the corporation can claim a refund for any part of the assessed tax.

Unless otherwise stated, the term "corporation" as used in Form 100X and in these instructions includes banks, financial corporations, S corporations, exempt homeowners' associations, political organizations, limited liability companies and limited liability partnerships classified as corporations.

### B When to File

File Form 100X only after the original tax return has been filed. Corporations must file a claim for refund within four years from the original due date of the tax return, the date the tax return was filed, or within one year from the date the tax was paid, whichever is later. Tax returns filed before the due date are considered as filed on the original due date.

If the Internal Revenue Service (IRS) examines and changes the federal corporate tax, the corporation must report those changes to the FTB within six months of the final federal determination by using either of the following method:

- Filing Form 100X.
- Sending a letter with copies of the federal changes to:

CORPORATION RAR  
FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0501

With either method, the corporation must include a copy of the final federal determination and all underlying data and schedules that explain or support the federal adjustments. Most penalties assessed by the IRS also apply under California law. If penalties are included in a payment with the amended return, see the instructions for line 19, Penalties and interest.

### C Where to File

**Tax Due** – If tax is due, and the corporation is not required to use electronic funds transfer (EFT), make check or money order payable to the "Franchise Tax Board." Write the California corporation number, the appropriate taxable year, and "Form 100X" on the check or money order.

Mail Form 100X with the check or money order to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0501

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution. If the corporation must pay its tax liability using EFT, all payments must be remitted by EFT to avoid penalties. See the instructions for line 28, Amount due.

**Refund** – Mail Form 100X to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0502

**Return Without Payment or Paid by EFT**

Mail Form 100X to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0500

**Private Delivery Services** – California law conforms to federal law regarding the use of certain designated private delivery services to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. See federal Form 1120, U.S. Corporation Income Tax Return, for a list of designated delivery services. Private delivery services cannot deliver items to PO boxes. If using one of these services to mail any item to the FTB, DO NOT use an FTB PO box.

Mail the amended tax return to:

FRANCHISE TAX BOARD  
SACRAMENTO CA 95827

**Private Mail Box** – Include the Private Mail Box (PMB) in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

### Specific Line Instructions

#### Questions

**B and C** – The corporation must report to the FTB any changes made by the IRS to any item on the return or the taxpayer's account, including changes to gross income, deductions, penalty, credit or tax, whether or not the change results in additional tax for California for the same or any other taxable year within six months of the date of the final federal determination.

If the IRS changes result in a refund for California, generally the corporation must file a claim for refund within two years of the IRS final determination date.

Be sure to include a complete copy of the final federal determination and all supporting computations and schedules, along with a schedule of the adjustments as applicable to the corporation's California tax liability. For more information, get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California.

**D, E, and F** – Check the appropriate box to indicate whether this Form 100X is being filed to amend a Form 100, Form 100W, or Form 100S.

**G** – Check the "Yes" box if this Form 100X is being filed as a protective claim for refund. A protective claim is a claim for refund filed before the expiration of the statute of limitations for which a determination of the claim depends on the resolution of some other disputed issues, such as pending state or federal litigation or audit.

**H** – Corporations are not allowed to elect or terminate a water's-edge election on an amended return. For information on how to elect or terminate a water's-edge election, get the Form 100W, Water's-Edge Booklet.

### Part I and Part II

**Column (a)** – Enter the amounts as shown on the original or last previously amended tax return, or if the tax return was adjusted or examined, enter the amounts that were determined by the FTB as a result of the examination, whichever occurred later.

**Column (b)** – Enter the net increase or the net decrease for each line changed. List each change on Side 2, Part V, line 2 and provide an explanation and supporting schedules for each change.

**Column (c)** – Add any increase in column (b) to the amount in column (a) or subtract any decrease in column (b) from the amount in column (a) and enter the result in column (c). If there is no change, enter the amount from column (a) in column (c).

## Part I Income and Deductions

### Line 5 – Net income (loss) from Schedule R

If the corporate taxpayer apportions its business income to California and there is a net change in the amount of net business income (loss) after state adjustments apportioned to the corporate taxpayer, then the corporate taxpayer must recompute and attach Schedule R, Apportionment and Allocation of Income.

## Part II Computation of Tax, Penalties, and Interest

For more information (such as applicable tax rates or instructions on how to determine net operating loss carryover, alternative minimum tax (AMT), excess net passive income tax, etc.) get Form 100, Form 100W, or Form 100S instructions for the taxable year being amended.

### Line 7 – Net operating loss (NOL) carryover deduction

The NOL carryover deduction is suspended for the 2008 and 2009 taxable years, if the taxpayer's taxable income is \$500,000 or more. The taxpayer may continue to compute and carryover an NOL during the suspension period. **However**, taxpayers with taxable income of less than \$500,000 or with disaster loss carryovers are not affected by the NOL suspension rules. For more information, get form FTB 3805Q.

### Line 8 – Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction

The Pierce's disease, EZ, LARZ, LAMBRA, or TTA NOL carryover deduction is suspended for the 2008 and 2009 taxable years, if the taxpayer's taxable income is \$500,000 or more. For more information, get form FTB 3805D, form FTB 3805Z, form FTB 3806, form FTB 3807, or form FTB 3809.

### Line 14 – Alternative minimum tax

This applies to Form 100 or Form 100W filers only.

Enter in column (b) the net increase or net decrease in AMT between the original and amended Schedule P (100), Alternative Minimum Tax and Credit Limitations – Corporations, or Schedule P (100W), Alternative Minimum Tax and Credit Limitations – Water's-Edge Filers. Be sure to attach the amended Schedule P (100) or Schedule P (100W) to Form 100X.

### Line 17 – Other adjustments to tax

For interest adjustments under the "look-back" method of completed long-term contracts, enter the net increase or net decrease in column (b). Be sure to sign the amended form FTB 3834, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts, and attach it to Form 100X.

Also, enter in column (b) the net increase or net decrease of any credit recapture, LIFO recapture, or tax on installment sales. For more information, get Form 100 or Form 100S, Schedule J, Add-on Taxes and Recapture of Tax Credits, for taxable years 1991 through 2008; or Form 100W, Schedule J for taxable years 2000 through 2008; or Form 100 or Form 100S instructions for taxable years 1988 through 1990.

Enter the increase or decrease to the \$600 prepayment minimum franchise tax for qualified new corporations per R&TC Section 23221, effective for taxable years beginning on or after January 1, 1997, and before January 1, 1999. Enter the increase or decrease to the \$300 prepayment for taxable years beginning on or after January 1, 1999, and before January 1, 2000. For corporations incorporated or qualified to do business in California on or after January 1, 2000, there is no prepayment of minimum franchise tax.

### Line 19 – Penalties and interest

Line 19 (a) – Enter the net increase or net decrease of any penalties being reported on the amended return.

The corporation cannot reduce the estimated tax penalty previously assessed, even if the corporation reduces the tax due if this amended return is filed after the original filing due dates, including extensions.

Line 19 (b) – Enter the net increase or net decrease of interest being reported on the amended return.

Line 19 (c) – Enter the total of line 19 column (a) and column (b).

If the corporation does not compute the interest due, the FTB will figure any interest due and bill the corporation. Interest accrues on the unpaid tax from the original due date of the return to the date paid. For the applicable interest rates, get FTB Pub. 1138, Business Entity Refund/Billing Information.

## Part III Payments and Credits

Enter any payments or credits on the appropriate line.

For taxable years beginning on or after January 1, 2003, and ending on or before December 31, 2009, if the corporation elected to report use tax on the original tax return, do **not** include the amount of use tax paid with the original return on these lines.

### Line 24 – Other payments

Enter the estimated tax payments the corporation claimed on the tax return, including any payment made with form FTB 3539, Payment for Automatic Extension for Corps and Exempt Orgs, or form FTB 3586, Payment Voucher for Corporation e-filed Returns. Enter any withholding payments from Form 592-B, Nonresident Withholding Tax Statement, Form 593, Real Estate Withholding Tax Statement, or Form 594, Notice to Withhold Tax at Source, and attach a copy of the form(s).

If the corporation made a tax deposit payment with form FTB 3577, Pending Audit Tax Deposit Voucher for Corporations, for this taxable year and wants to apply all or part of the tax deposit payment, include the amount on this line.

## Part IV Amount Due or Refund

### Line 28 – Amount due

Make the check or money order payable to the "Franchise Tax Board" for the amount shown on line 28. Write the California corporation number, applicable taxable year, and "Form 100X," on the check or money order. Enclose, but do **not** staple, the check or money order with the Form 100X.

### Electronic Funds Transfer (EFT)

Corporations that remit an estimated tax payment or extension payment in excess of \$20,000 or that have a total tax liability in excess of \$80,000 must remit all of their payments through EFT. Once a

corporation meets the threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically to avoid a 10% non-compliance EFT penalty. The FTB notifies the corporation once they meet the requirements. A corporation required to pay its taxes through EFT must make all payments by EFT, even if the tax due on the original tax return was paid by check or money order. Indicate which taxable year the payment should be applied to when paying by EFT.

For more information, go to our website at [ftb.ca.gov](http://ftb.ca.gov) and search for **eft**, call 916.845.4025, or get FTB Pub. 3817, Electronic Funds Transfer Program Information Guide.

### Line 29 – Refund

If the corporation is entitled to a refund larger than the amount claimed on the original tax return, line 29 will show the amount of refund. The FTB will figure any interest due and will include it in the refund. If the corporation is claiming a refund for interest previously paid, include the interest amount on line 19.

## Part V Explanation of Changes

### Line 1

If the original tax return was filed using a different corporation name, address, California corporation number, and/or FEIN, enter the name, address, California corporation number, and FEIN used on the original tax return on this line.

### Line 2

Explain in detail any changes made to the amounts listed in Side 1, column (a). Include in the explanation the line number references for both the original and amended tax returns and any detailed computations. Include a copy of the federal Form 1120X, Amended U.S. Corporation Income Tax Return, and schedules if a change was made to the federal return. Include the corporation's name and California corporation number on all attachments.

## Where to Get Tax Forms and Publications

**By Internet** – You can download, view, and print California tax forms and publications from our website at [ftb.ca.gov](http://ftb.ca.gov).

**By phone** – To order 2008 business entity tax forms, call 800.338.0505 and follow the recorded instructions. Allow two weeks to receive your order. If you live outside of California, allow three weeks to receive your order.

**By mail** – Write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

### General Toll-Free Phone Service

Our general toll-free phone service is available year-round from 7 a.m. until 6 p.m. Monday through Friday except holidays.

From within the  
United States. . . . . 800.852.5711

From outside the  
United States. . . . . 916.845.6500  
(not toll-free)

### Assistance for persons with disabilities

The FTB complies with the Americans with Disabilities Act. Persons with hearing or speech impairments, call TTY/TDD 800.822.6268.